

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2018- 19 Examination

Semester: 3
Subject Code: 06101205
Subject Name: Company Accounts

Date: 10/05/2019
Time: 10.30 am to 1.00 pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.**A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

1. The following can be used for issuing fully paid up bonus share
 - a) Security premium
 - b) General Reserve
 - c) Dividend Equalization fund
 - d) Capital Reserve
2. Preparing Final accounts, preliminary expenses not written of is shown in---
 - a) General reserve account
 - b) Profit and Loss Account
 - c) Balance sheet
 - d) Capital reserve account
3. Share received from new company are recorded at_____
 - a) Market Price
 - b) Average Price
 - c) Book Value
 - d) None of the above
4. Which one of the following is not a model based on Present Value of employees future earning?
 - a) Hekimiian Model
 - b) Lev & Schwartz Model
 - c) Eric Model
 - d) Jaggi Lau's Model
5. Waste management costs are environmental costs
 - a) True
 - b) False

B). Define the following. (Each of 1 mark) (05)

1. Buy Back of Share
2. Employee as per ESOP
3. Purchase consideration
4. Merger
5. Environmental accounting

C). Direct questions. (Each of 1 mark) (05)

1. State the methods of valuation of Business
2. What you mean by Corporate Governance?
3. What are the contingent liabilities?
4. What is subdivision and consolidation of shares?
5. What you mean by bonus share?

Q.2 Attempt the following question

A). The Balance sheet of Dhiren Ltd as at 31st March 2017 are as follow

(07)

Liabilities	Rs.	Assets	Rs.
8000 equity share capital of Rs. 100 each, Rs. 90 Paid up	7,20,000	Plant & Machinery	2,25,000
Profit & Loss a/c	4,05,000	Land & Building	4,50,000
8% Debentures	1,12,500	Stock	45,000
Sundry Creditors	1,12,500	Debtors	1,80,000
		Cash and Bank	4,50,000
	13,50,000		13,50,000

At the annual meeting it was agreed:

- 1) To pay dividend in cash of 10% of paid up share capital
- 2) To declared a bonus so as to make partly paid up share fully paid up and then issue 1 bonus share for every five (5) old share held
- 3) To repay debenture at 3% premium

Give necessary journal entries and give balance sheet after transactions are completed

B). Explain the methods of Buyback of equity shares

(08)

Q.3 Attempt the following question

A). The following was the balance sheet of Vijay ltd ad on 31/03/2017:

(07)

Liabilities	Rs.	Assets	Rs.
Equity share capital (Rs. 10 Each)	75,00,000	Land & Building	25,00,000
General Reserve	2,00,000	Plant & Machinery	32,50,000
Export profit reserve	3,00,000	Stocks	25,25,000
Profit & Loss Account	7,50,000	Debtors	9,00,000
12% Debenture	5,00,000	Cash and Bank	7,25,000
Creditors	6,50,000	Preliminary Expenses	-
	99,00,000		99,00,000

The directors of Vijay ltd has decide to merge their company with Jay ltd with authorized share capital of 5, 00,000 equity shares of Rs. 100 each. Jay ltd agree to buy all the assets and liabilities of Vijay ltd except Investment. The payment terms are follows:

1. All the assets of Vijay ltd taken over for total price of Rs.72, 00,000 to be discharged by Jay ltd by issuing 60,000 equity share with premium of 20%.
2. The debenture of Vijay ltd to be converted into equivalent number of 14% debenture in Jay ltd.
3. Export profit reserve to be maintained for next four years
4. The machinery valued at Rs. 32,00,000 and Building Rs. 28,00,000

Pass necessary journal entries in the book of Jay Ltd and Prepare balance sheet

- B). The Trial Balance of Bhadresh Ltd. as on 31st March 2017 was as under, Prepare vertical balance sheet as on that date: (08)

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening Stock	70,000	Equity share capital	7,50,000
Land & Building	4,00,000	Security Premium	1,00,000
Plant and Machinery	6,80,000	General Reserve	1,40,000
Investment	1,00,000	P & L Account (1/4/16)	25,000
Bank Balance	23,000	6% Debenture	50,000
Cash on hand	800	Sundry Creditors	60,000
Income tax TDS	1,200	Dividend	11,200
Establishment expenses	52,000	Gross Profit	2,12,400
Rent and Taxes	2,400		
Debenture Interest	1,500		
Audit Fees	3,000		
Directors' Fess	6,000		
Sundry Expenses	8,700		
	13,48,600		13,48,600

Additional Information:

1. Authorised share capital : 10000 equity shares of Rs. 100 each
2. Depreciation on Land and building 5%, Plant and machinery 15%
3. General Reserve Rs. 10,000 transferred
4. Provision for Income tax 13,250 (50% of net profit)

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. From the following particulars, prepare Profit and loss appropriate account for the year ended 31st March 2017:
 - 1) Profit and loss account balance forward Rs. 1,00,000
 - 2) Net profit before tax Rs. 8, 75,000 (Provision for tax at 40%)
 - 3) Transfer to Reserve fund Rs. 1,25,000
 - 4) The share capital consist the following :
 - (A) 10,000, 12% preference share of Rs. 100 each fully paid up
 - (B) 10,000 equity share of Rs. 100 each. Rs. 80 paid-up
 - 5) Directors proposed a dividend of 20% on equity shares.
2. Explain current purchasing power method
3. What is Human resource accounting? Discuss various methods for valuation of human Recourses accounting.
4. What id amalgamation of companies? Discuss the purposes of amalgamation.